



# QUARTERLY STATEMENT

**AS OF JUNE 30, 2009**

# Priority Health

NAIC Group Code	3383 (Current Period)	3383 (Prior Period)	NAIC Company Code	95561	Employer's ID Number	38-2715520
Organized under the Laws of		Michigan		State of Domicile or Port of Entry		Michigan
Country of Domicile			United States			
Licensed as business type:		Life, Accident & Health [ ]	Property/Casualty [ ]	Hospital, Medical & Dental Service or Indemnity [ ]		
		Dental Service Corporation [ ]	Vision Service Corporation [ ]	Health Maintenance Organization [ X ]		
		Other [ ]	Is HMO, Federally Qualified? Yes [ ] No [ X ]			
Incorporated/Organized	03/07/1986		Commenced Business	10/15/1986		
Statutory Home Office	1231 East Beltline NE (Street and Number)			Grand Rapids, MI 49525-4501 (City, State and Zip Code)		
Main Administrative Office	1231 East Beltline NE (Street and Number)			Grand Rapids, MI 49525-4501 (City or Town, State and Zip Code) 616-942-0954 (Area Code) (Telephone Number)		
Mail Address	1231 East Beltline NE (Street and Number or P.O. Box)			Grand Rapids, MI 49525-4501 (City or Town, State and Zip Code)		
Primary Location of Books and Records	1231 East Beltline NE (Street and Number)			Grand Rapids, MI 49525-4501 (City, State and Zip Code) 616-464-8931 (Area Code) (Telephone Number)		
Internet Web Site Address	www.priority-health.com					
Statutory Statement Contact	Cindy L Brink (Name)			616-464-8931 (Area Code) (Telephone Number) (Extension)		
	cindy.brink2@priority-health.com (E-Mail Address)			616-942-7916 (Fax Number)		

## OFFICERS

Name Title Name Title  
Kimberly K Horn, President / Chief Executive Officer Gregory A Hawkins, Treasurer / Chief Financial Officer  
Judith W Hoovenga Secretary

## **OTHER OFFICERS**

## **DIRECTORS OR TRUSTEES**

Dennis Aloia	Craig H Bethune	Richard C Breon	Gaylen J Byker
Karl D Deck	Georgia R Fojtasek	Michael P Freed	Lynn Kotecki
Michael I Love	Peter B Lundein	Christina MacInnes	Edward M Millermaier
Kathleen S Ponitz	Robert W Roth	Thomas G Schwaderer	Timothy V Smith
Hilary F Snell	Dale M Sowders	James J Stephanak	Jody D Vanderwel
Douglas A Zwemer			

State of Michigan ss  
County of Kent

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

---

Kimberly K Horn  
President / Chief Executive Officer

Gregory A Hawkins  
Treasurer / Chief Financial Officer

Judith W Hooyenga  
Secretary

- a. Is this an original filing? Yes [  ] No [  ]

b. If no,

  1. State the amendment number \_\_\_\_\_
  2. Date filed \_\_\_\_\_
  3. Number of pages attached \_\_\_\_\_

Subscribed and sworn to before me this  
\_\_\_\_ day of August, 2009

b. If no,

1. State the amendment number
2. Date filed
3. Number of pages attached

Mary Bierlein, Document Coordinator  
11/16/2012

---

Mary Bierlein, Document Coordinator  
[mbierlein@vias.org](mailto:mbierlein@vias.org)

---

11/18/2012

11/18/2012

**STATEMENT AS OF JUNE 30, 2009 OF THE Priority Health**

**ASSETS**

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds .....	153,010,196		153,010,196	138,250,302
2. Stocks:				
2.1 Preferred stocks .....			0	0
2.2 Common stocks .....	68,752,848	3,947	68,748,901	63,886,638
3. Mortgage loans on real estate:				
3.1 First liens .....			0	0
3.2 Other than first liens .....			0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$ ..... 0 encumbrances) .....	714,640	714,640	0	0
4.2 Properties held for the production of income (less \$ ..... encumbrances) .....			0	0
4.3 Properties held for sale (less \$ ..... encumbrances) .....			0	0
5. Cash (\$ ..... (10,561,919) ), cash equivalents (\$ ..... 0 ) and short-term investments (\$ ..... 180,055,070 ) .....	169,493,150		169,493,150	178,640,493
6. Contract loans (including \$ ..... premium notes) .....			0	0
7. Other invested assets .....	0		0	0
8. Receivables for securities .....			0	0
9. Aggregate write-ins for invested assets .....	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9) .....	391,970,834	718,587	391,252,247	380,777,433
11. Title plants less \$ ..... charged off (for Title insurers only) .....			0	0
12. Investment income due and accrued .....	2,664,426		2,664,426	2,769,247
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection .....	11,081,029	74,781	11,006,248	12,237,880
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ ..... earned but unbilled premiums) .....			0	0
13.3 Accrued retrospective premiums .....			0	0
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers .....			0	0
14.2 Funds held by or deposited with reinsured companies .....			0	0
14.3 Other amounts receivable under reinsurance contracts .....			0	0
15. Amounts receivable relating to uninsured plans .....			0	0
16.1 Current federal and foreign income tax recoverable and interest thereon .....			0	0
16.2 Net deferred tax asset .....			0	0
17. Guaranty funds receivable or on deposit .....			0	0
18. Electronic data processing equipment and software .....			0	0
19. Furniture and equipment, including health care delivery assets (\$ ..... 0 ) .....	13,246,818	13,246,818	0	0
20. Net adjustment in assets and liabilities due to foreign exchange rates .....			0	0
21. Receivables from parent, subsidiaries and affiliates .....	800,097		800,097	1,430,495
22. Health care (\$ ..... 5,523,499 ) and other amounts receivable .....	9,714,395	2,546,073	7,168,322	5,501,539
23. Aggregate write-ins for other than invested assets .....	2,940,893	2,940,893	0	0
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23) .....	432,418,492	19,527,152	412,891,340	402,716,594
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			0	0
26. Total (Lines 24 and 25) .....	432,418,492	19,527,152	412,891,340	402,716,594
<b>DETAILS OF WRITE-INS</b>				
0901. ....				
0902. ....				
0903. ....				
0998. Summary of remaining write-ins for Line 9 from overflow page .....	0	.0	0	0
0999. Totals (Lines 0901 through 0903 plus 0998)(Line 9 above) .....	0	0	0	0
2301. Goodwill .....	.2,850,000	.2,850,000	0	0
2302. Prepaid expenses .....	.90,893	.90,893	0	0
2303. ....				
2398. Summary of remaining write-ins for Line 23 from overflow page .....	0	.0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398)(Line 23 above) .....	2,940,893	2,940,893	0	0

**STATEMENT AS OF JUNE 30, 2009 OF THE Priority Health**

**LIABILITIES, CAPITAL AND SURPLUS**

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ 0 reinsurance ceded)	99,879,685	.9,847,431	109,727,116	112,470,118
2. Accrued medical incentive pool and bonus amounts	13,036,136		13,036,136	19,119,090
3. Unpaid claims adjustment expenses	1,571,003	154,890	1,725,893	1,930,415
4. Aggregate health policy reserves	112,085		112,085	127,853
5. Aggregate life policy reserves			0	0
6. Property/casualty unearned premium reserve			0	0
7. Aggregate health claim reserves			0	0
8. Premiums received in advance	19,592,257		19,592,257	18,929,223
9. General expenses due or accrued	.2,929,395		2,929,395	6,087,053
10.1 Current federal and foreign income tax payable and interest thereon (including \$ on realized gains (losses))			0	0
10.2 Net deferred tax liability			0	0
11. Ceded reinsurance premiums payable			0	0
12. Amounts withheld or retained for the account of others	179,458		179,458	101,827
13. Remittances and items not allocated			0	0
14. Borrowed money (including \$ current) and interest thereon \$ (including \$ current)			0	0
15. Amounts due to parent, subsidiaries and affiliates	37,436,040		37,436,040	22,793,400
16. Payable for securities	.977,308		.977,308	0
17. Funds held under reinsurance treaties with (\$ authorized reinsurers and \$ unauthorized reinsurers)			0	0
18. Reinsurance in unauthorized companies			0	0
19. Net adjustments in assets and liabilities due to foreign exchange rates			0	0
20. Liability for amounts held under uninsured plans	511,714		511,714	.36,152
21. Aggregate write-ins for other liabilities (including \$ current)	0	.0	0	0
22. Total liabilities (Lines 1 to 21)	.176,225,081	10,002,321	186,227,402	181,595,131
23. Aggregate write-ins for special surplus funds	XXX	XXX	1,000,000	1,000,000
24. Common capital stock	XXX	XXX	.8,524	.8,524
25. Preferred capital stock	XXX	XXX		0
26. Gross paid in and contributed surplus	XXX	XXX	35,821,002	35,821,002
27. Surplus notes	XXX	XXX	.33,839,572	.33,839,572
28. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
29. Unassigned funds (surplus)	XXX	XXX	155,994,840	.150,452,365
30. Less treasury stock, at cost:				
30.1 shares common (value included in Line 24)	XXX	XXX		0
\$ )				0
30.2 shares preferred (value included in Line 25)	XXX	XXX		0
\$ )				0
31. Total capital and surplus (Lines 23 to 29 minus Line 30)	XXX	XXX	.226,663,938	.221,121,463
32. Total liabilities, capital and surplus (Lines 22 and 31)	XXX	XXX	412,891,340	402,716,594
<b>DETAILS OF WRITE-INS</b>				
2101.				
2102.				
2103.				
2198. Summary of remaining write-ins for Line 21 from overflow page	0	.0	0	0
2199. Totals (Lines 2101 thru 2103 plus 2198) (Line 21 above)	0	0	0	0
2301. Appropriated Retained Earnings	XXX	XXX	1,000,000	1,000,000
2302.	XXX	XXX		
2303.	XXX	XXX		
2398. Summary of remaining write-ins for Line 23 from overflow page	XXX	XXX	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)	XXX	XXX	1,000,000	1,000,000
2801.	XXX	XXX		
2802.	XXX	XXX		
2803.	XXX	XXX		
2898. Summary of remaining write-ins for Line 28 from overflow page	XXX	XXX	0	0
2899. Totals (Lines 2801 thru 2803 plus 2898) (Line 28 above)	XXX	XXX	0	0

**STATEMENT AS OF JUNE 30, 2009 OF THE Priority Health**

**STATEMENT OF REVENUE AND EXPENSES**

	Current Year To Date		Prior Year To Date	Prior Year Ended December 31
	1 Uncovered	2 Total	3 Total	4 Total
1. Member Months.....	XXX	2,173,087	2,153,750	4,301,204
2. Net premium income (including \$ 0 non-health premium income).....	XXX	648,536,386	626,396,904	1,256,590,502
3. Change in unearned premium reserves and reserve for rate credits.....	XXX		0	0
4. Fee-for-service (net of \$ medical expenses).....	XXX		0	0
5. Risk revenue.....	XXX		0	0
6. Aggregate write-ins for other health care related revenues.....	XXX	390,117	370,533	949,458
7. Aggregate write-ins for other non-health revenues.....	XXX	0	0	0
8. Total revenues (Lines 2 to 7).....	XXX	648,926,503	626,767,437	1,257,539,960
<b>Hospital and Medical:</b>				
9. Hospital/medical benefits.....		430,980,666	426,390,212	840,957,186
10. Other professional services.....		235,711	456,650	729,482
11. Outside referrals.....		15,500,759	14,696,724	32,280,413
12. Emergency room and out-of-area.....		17,780,892	13,972,823	29,595,069
13. Prescription drugs.....		110,637,096	107,955,438	214,219,421
14. Aggregate write-ins for other hospital and medical.....	.0	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts.....		13,149,358	10,003,844	21,054,014
16. Subtotal (Lines 9 to 15).....	.0	588,284,482	573,475,691	1,138,835,585
<b>Less:</b>				
17. Net reinsurance recoveries.....		46,890	178,080	1,335,332
18. Total hospital and medical (Lines 16 minus 17).....	.0	588,237,592	573,297,611	1,137,500,253
19. Non-health claims (net).....			0	0
20. Claims adjustment expenses, including \$ 891,799 cost containment expenses.....		8,917,985	9,377,765	18,306,305
21. General administrative expenses.....		50,988,422	53,580,735	103,735,730
22. Increase in reserves for life and accident and health contracts including \$ increase in reserves for life only).....			0	0
23. Total underwriting deductions (Lines 18 through 22).....	.0	648,143,999	636,256,111	1,259,542,288
24. Net underwriting gain or (loss) (Lines 8 minus 23).....	XXX	782,504	(9,488,674)	(2,002,328)
25. Net investment income earned.....		5,107,021	6,691,739	13,913,515
26. Net realized capital gains (losses) less capital gains tax of \$ .0		(1,177,053)	40,287	88,991
27. Net investment gains (losses) (Lines 25 plus 26).....	.0	3,929,968	6,732,026	14,002,506
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$ ) (amount charged off \$ .....)].....			0	0
29. Aggregate write-ins for other income or expenses.....	.0	803,626	225,853	1,056,129
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29).....	XXX	5,516,098	(2,530,795)	13,056,307
31. Federal and foreign income taxes incurred.....	XXX		0	0
32. Net income (loss) (Lines 30 minus 31).....	XXX	5,516,098	(2,530,795)	13,056,307
<b>DETAILS OF WRITE-INS</b>				
0601. Wellness Program Revenue.....	XXX	390,117	370,533	949,458
0602.....	XXX			
0603.....	XXX			
0698. Summary of remaining write-ins for Line 6 from overflow page.....	XXX	0	0	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above).....	XXX	390,117	370,533	949,458
0701.....	XXX			
0702.....	XXX			
0703.....	XXX			
0798. Summary of remaining write-ins for Line 7 from overflow page.....	XXX	0	0	0
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 7 above).....	XXX	0	0	0
1401.....				
1402.....				
1403.....				
1498. Summary of remaining write-ins for Line 14 from overflow page.....	.0	0	0	0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above).....	0	0	0	0
2901. Management Fee Revenue.....		803,626	225,853	0
2902. Supplemental Interest Income.....		0	0	1,056,129
2903.....		0	0	0
2998. Summary of remaining write-ins for Line 29 from overflow page.....	.0	0	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above).....	0	803,626	225,853	1,056,129

**STATEMENT AS OF JUNE 30, 2009 OF THE Priority Health**

**STATEMENT OF REVENUE AND EXPENSES (Continued)**

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year
<b>CAPITAL AND SURPLUS ACCOUNT:</b>			
33. Capital and surplus prior reporting year.....	221,121,463	215,448,957	215,448,957
34. Net income or (loss) from Line 32 .....	5,516,098	(2,530,795)	13,056,307
35. Change in valuation basis of aggregate policy and claim reserves .....	0	0	0
36. Change in net unrealized capital gains (losses) less capital gains tax of \$ .....	0	89,304	(2,835,313)
37. Change in net unrealized foreign exchange capital gain or (loss) .....	0	0	0
38. Change in net deferred income tax .....	0	0	0
39. Change in nonadmitted assets .....	(62,927)	1,832,791	1,130,446
40. Change in unauthorized reinsurance .....	0	0	0
41. Change in treasury stock .....	0	0	0
42. Change in surplus notes .....	0	0	0
43. Cumulative effect of changes in accounting principles .....	0	0	0
44. Capital Changes:			
44.1 Paid in .....	0	0	0
44.2 Transferred from surplus (Stock Dividend) .....	0	0	0
44.3 Transferred to surplus .....	0	0	0
45. Surplus adjustments:			
45.1 Paid in .....	0	0	0
45.2 Transferred to capital (Stock Dividend) .....	0	0	0
45.3 Transferred from capital .....	0	0	0
46. Dividends to stockholders .....	0	0	0
47. Aggregate write-ins for gains or (losses) in surplus .....	0	5,218,250	5,218,250
48. Net change in capital & surplus (Lines 34 to 47) .....	5,542,475	1,684,933	5,672,506
49. Capital and surplus end of reporting period (Line 33 plus 48)	226,663,938	217,133,890	221,121,463
<b>DETAILS OF WRITE-INS</b>			
4701. Purchase Price Adjustment.....	0	5,218,250	5,218,250
4702. .....	0	0	0
4703. .....	0	0	0
4798. Summary of remaining write-ins for Line 47 from overflow page .....	0	0	0
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above)	0	5,218,250	5,218,250

**STATEMENT AS OF JUNE 30, 2009 OF THE Priority Health**

**CASH FLOW**

	1 Current Year To Date	2 Prior Year Ended December 31
<b>Cash from Operations</b>		
1. Premiums collected net of reinsurance.....	650,530,239	1,248,619,274
2. Net investment income .....	5,319,123	13,977,223
3. Miscellaneous income .....	390,117	949,458
4. Total (Lines 1 to 3) .....	656,239,479	1,263,545,955
5. Benefit and loss related payments .....	598,720,594	1,120,663,364
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions .....	61,989,398	117,706,338
8. Dividends paid to policyholders .....	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ ..... tax on capital gains (losses)	0	0
10. Total (Lines 5 through 9) .....	660,709,992	1,238,369,702
11. Net cash from operations (Line 4 minus Line 10) .....	(4,470,513)	25,176,253
<b>Cash from Investments</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds .....	35,139,761	52,403,196
12.2 Stocks .....	7,508,241	0
12.3 Mortgage loans .....	0	0
12.4 Real estate .....	0	0
12.5 Other invested assets .....	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....	14,840	7,190
12.7 Miscellaneous proceeds .....	1,216,100	0
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....	43,878,942	52,410,386
13. Cost of investments acquired (long-term only):		
13.1 Bonds .....	49,713,095	56,360,363
13.2 Stocks .....	13,140,946	15,432,002
13.3 Mortgage loans .....	0	0
13.4 Real estate .....	70,243	232,351
13.5 Other invested assets .....	0	0
13.6 Miscellaneous applications .....	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	62,924,284	72,024,716
14. Net increase (or decrease) in contract loans and premium notes .....	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14) .....	(19,045,342)	(19,614,330)
<b>Cash from Financing and Miscellaneous Sources</b>		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes .....	0	0
16.2 Capital and paid in surplus, less treasury stock.....	0	0
16.3 Borrowed funds .....	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities .....	0	0
16.5 Dividends to stockholders .....	0	0
16.6 Other cash provided (applied).....	14,368,513	3,018,369
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6) .....	14,368,513	3,018,369
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	(9,147,342)	8,580,292
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	178,640,494	170,060,202
19.2 End of period (Line 18 plus Line 19.1) .....	169,493,152	178,640,494

**STATEMENT AS OF JUNE 30, 2009 OF THE Priority Health**

<b>EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION</b>										
	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Other
		2 Individual	3 Group							
<b>Total Members at end of:</b>										
1. Prior Year .....	359,715	.1,513	348,434	.0	0	0	0	.9,768	0	.0
2. First Quarter .....	361,491	1,484	344,775	.0	0	0	0	15,232	0	.0
3. Second Quarter .....	364,376	1,577	346,562					16,237		
4. Third Quarter .....	0									
5. Current Year .....	0									
6. Current Year Member Months	2,173,087	.9,052	2,071,568					.92,467		
<b>Total Member Ambulatory Encounters for Period:</b>										
7. Physician .....	1,710,764	.6,802	1,556,620					147,342		
8. Non-Physician .....	185,720	.738	168,987					15,995		
9. Total .....	1,896,484	7,540	1,725,607	.0	0	0	0	163,337	0	.0
10. Hospital Patient Days Incurred	51,992	.173	.39,494					12,325		
11. Number of Inpatient Admissions	11,957	.44	10,087					1,826		
12. Health Premiums Written .....	649,128,304	1,757,573	579,075,386					68,295,345		
13. Life Premiums Direct.....	0									
14. Property/Casualty Premiums Written .....	0									
15. Health Premiums Earned .....	648,536,386	1,755,804	578,492,634					68,287,948		
16. Property/Casualty Premiums Earned .....	0									
17. Amount Paid for Provision of Health Care Services .....	598,794,715	3,118,278	541,209,824					54,466,613		
18. Amount Incurred for Provision of Health Care Services	588,284,482	3,063,298	528,161,111					57,060,073		

(a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$ 68,295,345

## STATEMENT AS OF JUNE 30, 2009 OF THE Priority Health

**CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)**

## Aging Analysis of Unpaid Claims

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 Days	6 Over 120 Days	7 Total
<b>Claims Unpaid (Reported)</b>						
0199999 Individually Listed Claims Unpaid	0	0	0	0	0	0
0299999 Aggregate Accounts Not Individually Listed-Uncovered	2,886,221					2,886,221
0399999 Aggregate Accounts Not Individually Listed-Covered	28,054,278					28,054,278
0499999 Subtotals	30,940,499	0	0	0	0	30,940,499
0599999 Unreported Claims and Other Claim Reserves	XXX	XXX	XXX	XXX	XXX	78,729,979
0699999 Total Amounts Withheld	XXX	XXX	XXX	XXX	XXX	56,638
0799999 Total Claims Unpaid	XXX	XXX	XXX	XXX	XXX	109,727,116
0899999 Accrued Medical Incentive Pool and Bonus Amounts	XXX	XXX	XXX	XXX	XXX	13,036,136

## STATEMENT AS OF JUNE 30, 2009 OF THE Priority Health

**UNDERWRITING AND INVESTMENT EXHIBIT**  
**ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE**

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5	6 Estimated Claim Reserve and Claim Liability Dec. 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid Dec. 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital & medical) .....	86,014,816	447,707,859	5,409,329	92,571,150	.91,424,145	103,478,579
2. Medicare Supplement .....					0	0
3. Dental Only .....					0	0
4. Vision Only .....					0	0
5. Federal Employees Health Benefits Plan .....					0	0
6. Title XVIII - Medicare .....	7,213,544	47,253,069	245,034	11,501,604	7,458,578	8,991,540
7. Title XIX - Medicaid .....					0	0
8. Other Health .....					0	0
9. Health Subtotal (Lines 1 to 8).....	93,228,360	494,960,928	5,654,363	104,072,754	98,882,723	112,470,119
10. Healthcare receivables (a) .....	4,804,567	3,534,452	278,608	6,535,734	5,083,175	5,083,176
11. Other non-health .....					0	0
12. Medical incentive pools and bonus amounts .....	18,098,766	845,680	2,305,880	10,730,256	20,404,646	19,119,090
13. Totals .....	106,522,559	492,272,156	7,681,635	108,267,276	114,204,194	126,506,033

(a) Excludes \$ ..... loans and advances to providers not yet expensed.

**STATEMENT AS OF JUNE 30, 2009 OF THE Priority Health**

**NOTES TO FINANCIAL STATEMENTS**

**1. Organization and Summary of Significant Accounting Policies**

No material changes from year end disclosures.

**2. Accounting Changes and Correction of Errors**

No material changes from year end disclosures.

**3. Business Combinations and Goodwill**

No material changes from year end disclosures.

**4. Discontinued Operations**

No material changes from year end disclosures.

**5. Investments**

No material changes from year end disclosures.

**6. Joint Ventures, Partnerships and Limited Liability Companies**

No material changes from year end disclosures.

**7. Investment Income**

No material changes from year end disclosures.

**8. Derivative Instruments**

No material changes from year end disclosures.

**9. Income Taxes**

No material changes from year end disclosures.

**10. Information Concerning Parent, Subsidiaries, and Affiliates**

The Company contributed capital to its subsidiary, Priority Health Insurance Company, in the amount of \$6,000,000 in June 2009.

**11. Debt**

No material changes from year end disclosures.

**12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans**

No material changes from year end disclosures.

**13. Capital and Surplus, Shareholder's Dividend Restrictions, and Quasi-Reorganizations**

No material changes from year end disclosures.

**14. Contingencies**

No material changes from year end disclosures.

**15. Leases**

No material changes from year end disclosures.

**16. Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk**

No material changes from year end disclosures.

**17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities**

No material changes from year end disclosures.

## **NOTES TO FINANCIAL STATEMENTS**

### **18. Gain of Loss to the Reporting Entity from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans**

No material changes from year end disclosures.

### **19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators**

No material changes from year end disclosures.

### **20. Other Items**

No material changes from year end disclosures.

### **21. Events Subsequent**

No material changes from year end disclosures.

### **22. Reinsurance**

No material changes from year end disclosures.

### **23. Retrospectively Rated Contracts & Contracts Subject to Redetermination**

No material changes from year end disclosures.

### **24. Change in Incurred Claims and Claim Adjustment Expenses**

Adjustments to previously rendered claims reserve estimates are reflected in the statement of operations in the period in which the estimates are revised. Such reserve adjustments consist of restatements of claim estimates and release of any margin associated with these estimates. Reserve adjustments were favorable by \$12.3 million during the current quarter, decreasing the prior year-end claim reserve estimates of \$126.5 million to \$114.2 million.

### **25. Intercompany Pooling Arrangements**

No material changes from year end disclosures.

### **26. Structured Settlements**

No material changes from year end disclosures.

### **27. Health Care Receivables**

No material changes from year end disclosures.

### **28. Participating Policies**

No material changes from year end disclosures.

### **29. Premium Deficiency Reserves**

No material changes from year end disclosures.

### **30. Anticipated Salvage and Subrogation**

No material changes from year end disclosures.

**STATEMENT AS OF JUNE 30, 2009 OF THE Priority Health****GENERAL INTERROGATORIES**

(Responses to these interrogatories should be based on changes that have occurred since the prior year end unless otherwise noted.)

**PART 1 - COMMON INTERROGATORIES  
GENERAL**

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? ..... Yes [ ] No [X]  
 1.2 If yes, has the report been filed with the domiciliary state? ..... Yes [ ] No [ ]

- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? ..... Yes [ ] No [X]

- 2.2 If yes, date of change: .....

3. Have there been any substantial changes in the organizational chart since the prior quarter end? ..... Yes [ ] No [X]

If yes, complete the Schedule Y - Part 1 - organizational chart.

- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? ..... Yes [ ] No [X]

- 4.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? ..... Yes [ ] No [X] NA [ ]  
 If yes, attach an explanation.

- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. ..... 12/31/2006

- 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. ..... 12/31/2006

- 6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). ..... 05/26/2008

- 6.4 By what department or departments?  
State of Michigan Office of Financial and Insurance Regulation.....

- 6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? ..... Yes [ ] No [ ] NA [X]

- 6.6 Have all of the recommendations within the latest financial examination report been complied with? ..... Yes [ ] No [X] NA [ ]

- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? ..... Yes [ ] No [X]

- 7.2 If yes, give full information:  
.....

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? ..... Yes [ ] No [X]

- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.  
.....

- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? ..... Yes [ ] No [X]

- 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.]

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC

**STATEMENT AS OF JUNE 30, 2009 OF THE Priority Health**

**GENERAL INTERROGATORIES**

- 9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?..... Yes [X] No [ ]
- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
  - (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
  - (c) Compliance with applicable governmental laws, rules and regulations;
  - (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
  - (e) Accountability for adherence to the code.
- 9.11 If the response to 9.1 is No, please explain:
- .....
- 9.2 Has the code of ethics for senior managers been amended?..... Yes [ ] No [X]
- 9.21 If the response to 9.2 is Yes, provide information related to amendment(s).
- .....
- 9.3 Have any provisions of the code of ethics been waived for any of the specified officers?..... Yes [ ] No [X]
- 9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).
- .....

**FINANCIAL**

- 10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?..... Yes [X] No [ ]
- 10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ ..... 0

**INVESTMENT**

- 11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.)..... Yes [ ] No [X]
- 11.2 If yes, give full and complete information relating thereto:
- .....
12. Amount of real estate and mortgages held in other invested assets in Schedule BA: ..... \$ ..... 0
13. Amount of real estate and mortgages held in short-term investments: ..... \$ ..... 0

- 14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? ..... Yes [X] No [ ]
- 14.2 If yes, please complete the following:

	1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
14.21 Bonds .....	\$ ..... 0	\$ ..... 0
14.22 Preferred Stock .....	\$ ..... 0	\$ ..... 0
14.23 Common Stock .....	\$ ..... 28,106,866	\$ ..... 28,970,143
14.24 Short-Term Investments .....	\$ ..... 0	\$ ..... 0
14.25 Mortgage Loans on Real Estate .....	\$ ..... 0	\$ ..... 0
14.26 All Other .....	\$ ..... 0	\$ ..... 0
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26).....	\$ ..... 28,106,866	\$ ..... 28,970,143
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above ....	\$ ..... 0	\$ ..... 0

- 15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? ..... Yes [ ] No [X]
- 15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? ..... Yes [ ] No [ ]  
If no, attach a description with this statement.

**STATEMENT AS OF JUNE 30, 2009 OF THE Priority Health**

**GENERAL INTERROGATORIES**

16. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 3, III Conducting Examinations, F - Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?.....

Yes [ ] No [X]

- 16.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian Address
Fifth Third Bank.....	Grand Rapids, Michigan.....
Huntington National Bank.....	Grand Rapids, Michigan.....
Mellon Trust.....	Pittsburgh, Pennsylvania.....

- 16.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
Michigan Department of Treasury.....	Lansing, Michigan.....	Statutory Deposit - Held by the State of Michigan.....

- 16.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter? .....

Yes [ ] No [X]

- 16.4 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
.....	.....	.....	.....

- 16.5 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository	2 Name(s)	3 Address
N/A.....	Prime Advisors, Inc.....	Bloomfield, Connecticut.....

- 17.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? .....

Yes [X] No [ ]

- 17.2 If no, list exceptions:

.....

## **STATEMENT AS OF JUNE 30, 2009 OF THE Priority Health**

## **SCHEDULE S - CEDED REINSURANCE**

## **Showing All New Reinsurance Treaties - Current Year to Date**

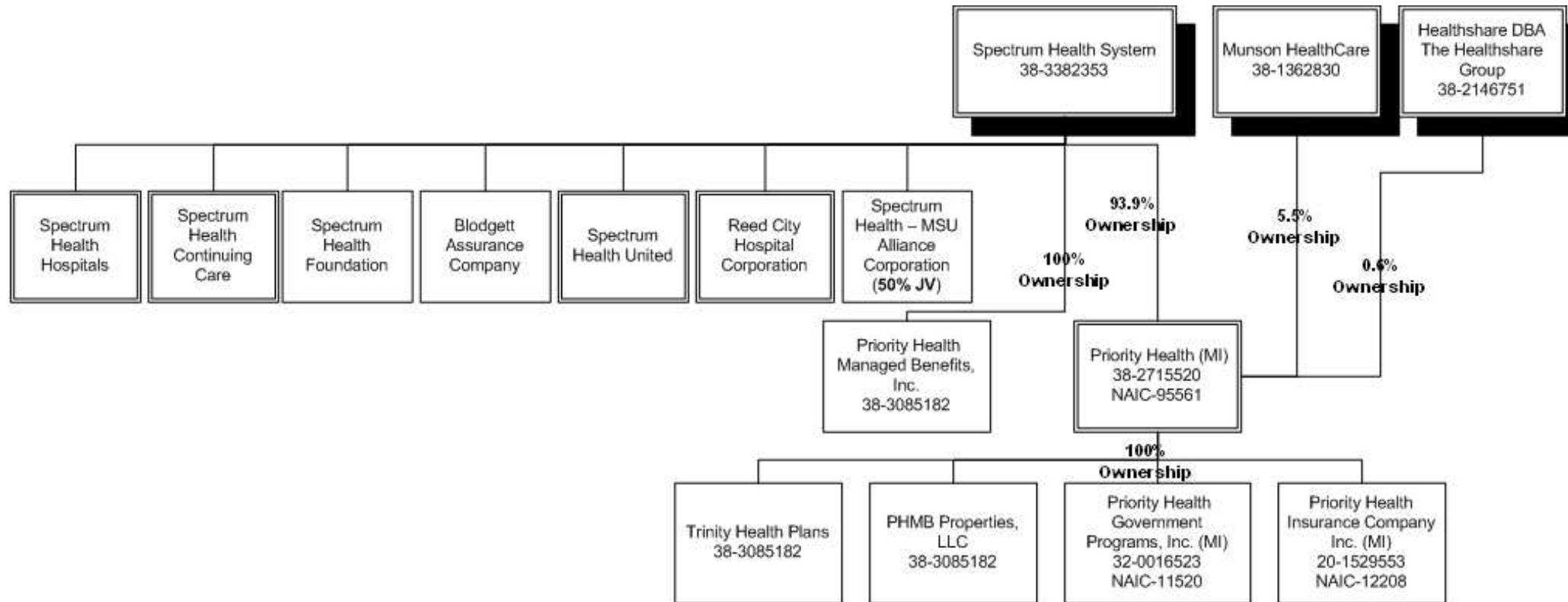
**STATEMENT AS OF JUNE 30, 2009 OF THE Priority Health**

**SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS**

Current Year to Date - Allocated by States and Territories

States, Etc.	1 Active Status	Direct Business Only							9 Deposit-Type Contracts
		2 Accident & Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefit Program Premiums	6 Life & Annuity Premiums & Other Considerations	7 Property/Casualty Premiums	8 Total Columns 2 Through 7	
1. Alabama .....	AL	N.							0
2. Alaska .....	AK	N.							0
3. Arizona .....	AZ	N.							0
4. Arkansas .....	AR	N.							0
5. California .....	CA	N.							0
6. Colorado .....	CO	N.							0
7. Connecticut .....	CT	N.							0
8. Delaware .....	DE	N.							0
9. District of Columbia .....	DC	N.							0
10. Florida .....	FL	N.							0
11. Georgia .....	GA	N.							0
12. Hawaii .....	HI	N.							0
13. Idaho .....	ID	N.							0
14. Illinois .....	IL	N.							0
15. Indiana .....	IN	N.							0
16. Iowa .....	IA	N.							0
17. Kansas .....	KS	N.							0
18. Kentucky .....	KY	N.							0
19. Louisiana .....	LA	N.							0
20. Maine .....	ME	N.							0
21. Maryland .....	MD	N.							0
22. Massachusetts .....	MA	N.							0
23. Michigan .....	MI	L	580,832,960	68,295,345					649,128,305
24. Minnesota .....	MN	N.							0
25. Mississippi .....	MS	N.							0
26. Missouri .....	MO	N.							0
27. Montana .....	MT	N.							0
28. Nebraska .....	NE	N.							0
29. Nevada .....	NV	N.							0
30. New Hampshire .....	NH	N.							0
31. New Jersey .....	NJ	N.							0
32. New Mexico .....	NM	N.							0
33. New York .....	NY	N.							0
34. North Carolina .....	NC	N.							0
35. North Dakota .....	ND	N.							0
36. Ohio .....	OH	N.							0
37. Oklahoma .....	OK	N.							0
38. Oregon .....	OR	N.							0
39. Pennsylvania .....	PA	N.							0
40. Rhode Island .....	RI	N.							0
41. South Carolina .....	SC	N.							0
42. South Dakota .....	SD	N.							0
43. Tennessee .....	TN	N.							0
44. Texas .....	TX	N.							0
45. Utah .....	UT	N.							0
46. Vermont .....	VT	N.							0
47. Virginia .....	VA	N.							0
48. Washington .....	WA	N.							0
49. West Virginia .....	WV	N.							0
50. Wisconsin .....	WI	N.							0
51. Wyoming .....	WY	N.							0
52. American Samoa .....	AS	N.							0
53. Guam .....	GU	N.							0
54. Puerto Rico .....	PR	N.							0
55. U.S. Virgin Islands .....	VI	N.							0
56. Northern Mariana Islands .....	MP	N.							0
57. Canada .....	CN	N.							0
58. Aggregate Other Alien .....	OT	XXX	0	0	0	0	0	0	0
59. Subtotal .....		XXX	580,832,960	68,295,345	0	0	0	649,128,305	0
60. Reporting entity contributions for Employee Benefit Plans .....		XXX							0
61. Total (Direct Business)	(a) 1	580,832,960	68,295,345	0	0	0	0	649,128,305	0
DETAILS OF WRITE-INS									
5801 .....		XXX							
5802 .....		XXX							
5803 .....		XXX							
5898. Summary of remaining write-ins for Line 58 from overflow page .....		XXX	0	0	0	0	0	0	0
5899. Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)		XXX	0	0	0	0	0	0	0

(a) Insert the number of L responses except for Canada and other Alien.

**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP  
PART 1 - ORGANIZATIONAL CHART**

**STATEMENT AS OF JUNE 30, 2009 OF THE Priority Health**

**SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES**

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of **NO** to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplemental is required of your company but is not being filed for whatever reason enter **SEE EXPLANATION** and provide an explanation following the interrogatory questions.

RESPONSE

1. Will the Medicare Part D Coverage Statement be filed with the state of domicile and the NAIC with this statement?

.....NO.....

**Explanation:**

1.

**Bar Code:**

1.



**OVERFLOW PAGE FOR WRITE-INS**

---

**STATEMENT AS OF JUNE 30, 2009 OF THE Priority Health**

**SCHEDULE A - VERIFICATION**

Real Estate

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....	711,596	632,051
2. Cost of acquired:		
2.1 Actual cost at time of acquisition .....	70,243	232,351
2.2 Additional investment made after acquisition .....	0	0
3. Current year change in encumbrances .....	0	0
4. Total gain (loss) on disposals .....	0	0
5. Deduct amounts received on disposals .....	0	0
6. Total foreign exchange change in book/adjusted carrying value .....	0	0
7. Deduct current year's other than temporary impairment recognized .....	0	0
8. Deduct current year's depreciation .....	67,199	152,806
9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8) .....	714,640	711,596
10. Deduct total nonadmitted amounts .....	714,640	711,596
11. Statement value at end of current period (Line 9 minus Line 10) .....	0	0

**SCHEDULE B – VERIFICATION**

Mortgage Loans

	1 Year to Date	2 Prior Year Ended December 31
1. Book value/recording investment excluding accrued interest, December 31 of prior year .....	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition .....	0	0
2.2 Additional investment made after acquisition .....	0	0
3. Capitalized deferred interest and other .....	0	0
4. Accrual of discount .....	0	0
5. Unrealized valuation increase (decrease) .....	0	0
6. Total gain (loss) on disposals .....	0	0
7. Deduct amounts received on disposals .....	0	0
8. Deduct amortization of premium and mortgage interest points and commitment fees .....	0	0
9. Total foreign exchange change in book value/recording investment excluding accrued interest .....	0	0
10. Deduct current year's other than temporary impairment recognized .....	0	0
11. Book value/recording investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10) .....	0	0
12. Total valuation allowance .....	0	0
13. Subtotal (Line 11 plus Line 12) .....	0	0
14. Deduct total nonadmitted amounts .....	0	0
15. Statement value at end of current period (Line 13 minus Line 14) .....	0	0

**SCHEDULE BA – VERIFICATION**

Other Long-Term Invested Assets

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition .....	0	0
2.2 Additional investment made after acquisition .....	0	0
3. Capitalized deferred interest and other .....	0	0
4. Accrual of discount .....	0	0
5. Unrealized valuation increase (decrease) .....	0	0
6. Total gain (loss) on disposals .....	0	0
7. Deduct amounts received on disposals .....	0	0
8. Deduct amortization of premium and depreciation .....	0	0
9. Total foreign exchange change in book/adjusted carrying value .....	0	0
10. Deduct current year's other than temporary impairment recognized .....	0	0
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10) .....	0	0
12. Deduct total nonadmitted amounts .....	0	0
13. Statement value at end of current period (Line 11 minus Line 12) .....	0	0

**SCHEDULE D – VERIFICATION**

Bonds and Stocks

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year .....	202,938,468	197,413,930
2. Cost of bonds and stocks acquired .....	62,854,041	71,792,365
3. Accrual of discount .....	89,757	195,474
4. Unrealized valuation increase (decrease) .....	89,304	(13,732,497)
5. Total gain (loss) on disposals .....	(1,363,486)	81,801
6. Deduct consideration for bonds and stocks disposed of .....	42,648,002	52,403,196
7. Deduct amortization of premium .....	197,038	409,409
8. Total foreign exchange change in book/adjusted carrying value .....	0	0
9. Deduct current year's other than temporary impairment recognized .....	0	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7+8-9) .....	221,763,044	202,938,468
11. Deduct total nonadmitted amounts .....	3,947	801,528
12. Statement value at end of current period (Line 10 minus Line 11) .....	221,759,097	202,136,940

**STATEMENT AS OF JUNE 30, 2009 OF THE Priority Health**

**SCHEDULE D - PART 1B**

Showing the Acquisitions, Dispositions and Non-Trading Activity  
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
<b>BONDS</b>								
1. Class 1 (a).....	349,963,011	116,019,003	139,177,916	(8,452,852)	349,963,011	.318,351,246	0	321,731,966
2. Class 2 (a).....	6,611,528	1,720,001	1,383,586	7,766,076	6,611,528	14,714,019	0	6,109,069
3. Class 3 (a).....	0	0	0	0	0	0	0	0
4. Class 4 (a).....	0	0	0	0	0	0	0	0
5. Class 5 (a).....	0	0	0	0	0	0	0	0
6. Class 6 (a).....	0	0	0	0	0	0	0	0
7. Total Bonds	356,574,539	117,739,004	140,561,503	(686,776)	356,574,539	333,065,265	0	327,841,035
<b>PREFERRED STOCK</b>								
8. Class 1.....	0	0	0	0	0	0	0	0
9. Class 2.....	0	0	0	0	0	0	0	0
10. Class 3.....	0	0	0	0	0	0	0	0
11. Class 4.....	0	0	0	0	0	0	0	0
12. Class 5.....	0	0	0	0	0	0	0	0
13. Class 6.....	0	0	0	0	0	0	0	0
14. Total Preferred Stock	0	0	0	0	0	0	0	0
15. Total Bonds & Preferred Stock	356,574,539	117,739,004	140,561,503	(686,776)	356,574,539	333,065,265	0	327,841,035

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$ .....0 ; NAIC 2 \$ .....0 ; NAIC 3 \$ .....0 ;  
NAIC 4 \$ .....0 ; NAIC 5 \$ .....0 ; NAIC 6 \$ .....0

**STATEMENT AS OF JUNE 30, 2009 OF THE Priority Health**

**SCHEDULE DA - PART 1**

**Short-Term Investments**

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
9199999	180,055,069	XXX	181,041,443	3,086,965	97,976

**SCHEDULE DA - VERIFICATION**

**Short-Term Investments**

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	189,590,733	181,244,200
2. Cost of short-term investments acquired .....	197,130,070	347,309,253
3. Accrual of discount.....	164,857	533,282
4. Unrealized valuation increase (decrease).....		0
5. Total gain (loss) on disposals.....	14,840	7,190
6. Deduct consideration received on disposals.....	205,497,695	338,207,806
7. Deduct amortization of premium.....	1,347,735	1,295,385
8. Total foreign exchange change in book/adjusted carrying value.....		0
9. Deduct current year's other than temporary impairment recognized.....		0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	180,055,070	189,590,734
11. Deduct total nonadmitted amounts.....		0
<b>12. Statement value at end of current period (Line 10 minus Line 11)</b>	<b>180,055,070</b>	<b>189,590,734</b>

Schedule DB - Part F - Section 1  
**NONE**

Schedule DB - Part F - Section 2  
**NONE**

**STATEMENT AS OF JUNE 30, 2009 OF THE Priority Health**

**SCHEDULE E-VERIFICATION**

(Cash Equivalents)

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	0	0
2. Cost of cash equivalents acquired.....	0	5,271,842
3. Accrual of discount.....	0	27,158
4. Unrealized valuation increase (decrease).....	0	0
5. Total gain (loss) on disposals.....	0	0
6. Deduct consideration received on disposals.....	0	5,299,000
7. Deduct amortization of premium.....	0	0
8. Total foreign exchange change in book/adjusted carrying value.....	0	0
9. Deduct current year's other than temporary impairment recognized.....	0	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	0	0
11. Deduct total nonadmitted amounts.....	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	0	0

Schedule A - Part 2  
**NONE**

Schedule A - Part 3  
**NONE**

Schedule B - Part 2  
**NONE**

Schedule B - Part 3  
**NONE**

Schedule BA - Part 2  
**NONE**

Schedule BA - Part 3  
**NONE**

**STATEMENT AS OF JUNE 30, 2009 OF THE Priority Health**

## **SCHEDULE D - PART 3**

Show All Long-Term Bonds and Stock Acquired During the Current Quarter

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues

**STATEMENT AS OF JUNE 30, 2009 OF THE Priority Health**

**SCHEDULE D - PART 4**

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of by the Company During the Current Quarter

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	9	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Prior Year Book/Adjusted Carrying Value	Actual Cost:	Unrealized Valuation Increase/ (Decrease)	Current Year's Current Year's Amortization/ Accretion	Temporary Impairment Recognized	Total Change in B./A.C.V. (11 + 12 - 13)	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Maturity Date	NAIC Designation or Market Indicator (a)	
31331S-AE-8	FIBB	05/15/2009	CALL at 100.000	GA CLARK	989,670	979,174	980,173	990,944	0	1,818	0	0	0	991,991	0	0	0	19,000	19/05/2012	1	
31398A-VG-2	FIBA	06/19/2009	IBS P.M.	1,026,400	1,000,000	979,174	1,005,048	1,005,048	1,000,000	0	0	0	0	1,004,477	0	0	0	4,326	03/29/2011	1	
31398A-VG-3	FIBA	06/19/2009	IBS P.M.	1,026,400	1,000,000	979,174	1,005,048	1,005,048	1,000,000	0	0	0	0	1,004,477	0	0	0	4,326	03/29/2011	1	
31398A-VG-4	FIBA	06/19/2009	IBS P.M.	1,026,400	1,000,000	979,174	1,005,048	1,005,048	1,000,000	0	0	0	0	1,004,477	0	0	0	4,326	03/29/2011	1	
31398A-VG-5	FIBA	06/19/2009	IBS P.M.	1,026,400	1,000,000	979,174	1,005,048	1,005,048	1,000,000	0	0	0	0	1,004,477	0	0	0	4,326	03/29/2011	1	
31398A-VG-6	FIBA	06/19/2009	IBS P.M.	1,026,400	1,000,000	979,174	1,005,048	1,005,048	1,000,000	0	0	0	0	1,004,477	0	0	0	4,326	03/29/2011	1	
31398A-VG-7	FIBA	06/19/2009	IBS P.M.	1,026,400	1,000,000	979,174	1,005,048	1,005,048	1,000,000	0	0	0	0	1,004,477	0	0	0	4,326	03/29/2011	1	
31398A-VG-8	FIBA	06/19/2009	IBS P.M.	1,026,400	1,000,000	979,174	1,005,048	1,005,048	1,000,000	0	0	0	0	1,004,477	0	0	0	4,326	03/29/2011	1	
31398A-VG-9	FIBA	06/19/2009	IBS P.M.	1,026,400	1,000,000	979,174	1,005,048	1,005,048	1,000,000	0	0	0	0	1,004,477	0	0	0	4,326	03/29/2011	1	
31398A-VG-10	FIBA	06/19/2009	IBS P.M.	1,026,400	1,000,000	979,174	1,005,048	1,005,048	1,000,000	0	0	0	0	1,004,477	0	0	0	4,326	03/29/2011	1	
31398A-VG-11	FIBA	06/19/2009	IBS P.M.	1,026,400	1,000,000	979,174	1,005,048	1,005,048	1,000,000	0	0	0	0	1,004,477	0	0	0	4,326	03/29/2011	1	
31398A-VG-12	FIBA	06/19/2009	IBS P.M.	1,026,400	1,000,000	979,174	1,005,048	1,005,048	1,000,000	0	0	0	0	1,004,477	0	0	0	4,326	03/29/2011	1	
31398A-VG-13	FIBA	06/19/2009	IBS P.M.	1,026,400	1,000,000	979,174	1,005,048	1,005,048	1,000,000	0	0	0	0	1,004,477	0	0	0	4,326	03/29/2011	1	
31398A-VG-14	FIBA	06/19/2009	IBS P.M.	1,026,400	1,000,000	979,174	1,005,048	1,005,048	1,000,000	0	0	0	0	1,004,477	0	0	0	4,326	03/29/2011	1	
31398A-VG-15	FIBA	06/19/2009	IBS P.M.	1,026,400	1,000,000	979,174	1,005,048	1,005,048	1,000,000	0	0	0	0	1,004,477	0	0	0	4,326	03/29/2011	1	
31398A-VG-16	FIBA	06/19/2009	IBS P.M.	1,026,400	1,000,000	979,174	1,005,048	1,005,048	1,000,000	0	0	0	0	1,004,477	0	0	0	4,326	03/29/2011	1	
31398A-VG-17	FIBA	06/19/2009	IBS P.M.	1,026,400	1,000,000	979,174	1,005,048	1,005,048	1,000,000	0	0	0	0	1,004,477	0	0	0	4,326	03/29/2011	1	
31398A-VG-18	FIBA	06/19/2009	IBS P.M.	1,026,400	1,000,000	979,174	1,005,048	1,005,048	1,000,000	0	0	0	0	1,004,477	0	0	0	4,326	03/29/2011	1	
31398A-VG-19	FIBA	06/19/2009	IBS P.M.	1,026,400	1,000,000	979,174	1,005,048	1,005,048	1,000,000	0	0	0	0	1,004,477	0	0	0	4,326	03/29/2011	1	
31398A-VG-20	FIBA	06/19/2009	IBS P.M.	1,026,400	1,000,000	979,174	1,005,048	1,005,048	1,000,000	0	0	0	0	1,004,477	0	0	0	4,326	03/29/2011	1	
31398A-VG-21	FIBA	06/19/2009	IBS P.M.	1,026,400	1,000,000	979,174	1,005,048	1,005,048	1,000,000	0	0	0	0	1,004,477	0	0	0	4,326	03/29/2011	1	
31398A-VG-22	FIBA	06/19/2009	IBS P.M.	1,026,400	1,000,000	979,174	1,005,048	1,005,048	1,000,000	0	0	0	0	1,004,477	0	0	0	4,326	03/29/2011	1	
31398A-VG-23	FIBA	06/19/2009	IBS P.M.	1,026,400	1,000,000	979,174	1,005,048	1,005,048	1,000,000	0	0	0	0	1,004,477	0	0	0	4,326	03/29/2011	1	
31398A-VG-24	FIBA	06/19/2009	IBS P.M.	1,026,400	1,000,000	979,174	1,005,048	1,005,048	1,000,000	0	0	0	0	1,004,477	0	0	0	4,326	03/29/2011	1	
31398A-VG-25	FIBA	06/19/2009	IBS P.M.	1,026,400	1,000,000	979,174	1,005,048	1,005,048	1,000,000	0	0	0	0	1,004,477	0	0	0	4,326	03/29/2011	1	
31398A-VG-26	FIBA	06/19/2009	IBS P.M.	1,026,400	1,000,000	979,174	1,005,048	1,005,048	1,000,000	0	0	0	0	1,004,477	0	0	0	4,326	03/29/2011	1	
31398A-VG-27	FIBA	06/19/2009	IBS P.M.	1,026,400	1,000,000	979,174	1,005,048	1,005,048	1,000,000	0	0	0	0	1,004,477	0	0	0	4,326	03/29/2011	1	
31398A-VG-28	FIBA	06/19/2009	IBS P.M.	1,026,400	1,000,000	979,174	1,005,048	1,005,048	1,000,000	0	0	0	0	1,004,477	0	0	0	4,326	03/29/2011	1	
31398A-VG-29	FIBA	06/19/2009	IBS P.M.	1,026,400	1,000,000	979,174	1,005,048	1,005,048	1,000,000	0	0	0	0	1,004,477	0	0	0	4,326	03/29/2011	1	
31398A-VG-30	FIBA	06/19/2009	IBS P.M.	1,026,400	1,000,000	979,174	1,005,048	1,005,048	1,000,000	0	0	0	0	1,004,477	0	0	0	4,326	03/29/2011	1	
31398A-VG-31	FIBA	06/19/2009	IBS P.M.	1,026,400	1,000,000	979,174	1,005,048	1,005,048	1,000,000	0	0	0	0	1,004,477	0	0	0	4,326	03/29/2011	1	
31398A-VG-32	FIBA	06/19/2009	IBS P.M.	1,026,400	1,000,000	979,174	1,005,048	1,005,048	1,000,000	0	0	0	0	1,004,477	0	0	0	4,326	03/29/2011	1	
31398A-VG-33	FIBA	06/19/2009	IBS P.M.	1,026,400	1,000,000	979,174	1,005,048	1,005,048	1,000,000	0	0	0	0	1,004,477	0	0	0	4,326	03/29/2011	1	
31398A-VG-34	FIBA	06/19/2009	IBS P.M.	1,026,400	1,000,000	979,174	1,005,048	1,005,048	1,000,000	0	0	0	0	1,004,477	0	0	0	4,326	03/29/2011	1	
31398A-VG-35	FIBA	06/19/2009	IBS P.M.	1,026,400	1,000,000	979,174	1,005,048	1,005,048	1,000,000	0	0	0	0	1,004,477	0	0	0	4,326	03/29/2011	1	
31398A-VG-36	FIBA	06/19/2009	IBS P.M.	1,026,400	1,000,000	979,174	1,005,048	1,005,048	1,000,000	0	0	0	0	1,004,477	0	0	0	4,326	03/29/2011	1	
31398A-VG-37	FIBA	06/19/2009	IBS P.M.	1,026,400	1,000,000	979,174	1,005,048	1,005,048	1,000,000	0	0	0	0	1,004,477	0	0	0	4,326	03/29/2011	1	
31398A-VG-38	FIBA	06/19/2009	IBS P.M.	1,026,400	1,000,000	979,174	1,005,048	1,005,048	1,000,000	0	0	0	0	1,004,477	0	0	0	4,326	03/29/2011	1	
31398A-VG-39	FIBA	06/19/2009	IBS P.M.	1,026,400	1,000,000	979,174	1,005,048	1,005,048	1,000,000	0	0	0	0	1,004,477	0	0	0	4,326	03/29/2011	1	
31398A-VG-40	FIBA	06/19/2009	IBS P.M.	1,026,400	1,000,000	979,174	1,005,048	1,005,048	1,000,000	0	0	0	0	1,004,477	0	0	0	4,326	03/29/2011	1	
31398A-VG-41	FIBA	06/19/2009	IBS P.M.	1,026,400	1,000,000	979,174	1,005,048	1,005,048	1,000,000	0	0	0	0	1,004,477	0	0	0	4,326	03/29/2011	1	

**STATEMENT AS OF JUNE 30, 2009 OF THE Priority Health**

**SCHEDULE D - PART 4**

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of by the Company During the Current Quarter

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Prior Year Book/Adjusted Carrying Value	Actual Cost	Unrealized Valuation Increase/ (Decrease)	Current Year's Current Year's Amortization/ Accretion	Temporary Impairment Recognized	Total Foreign Exchange Charge in B/A/C.V.	Total Change in B/A/C.V. (11 + 12 - 13)	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Maturity Date		
31388R-GT-8	F/NWA #612310	06/01/2009	NBS P/M	3,196	3,470	3,588	3,304	3,480	0	0	0	0	0	0	0	0	0	88	11/01/2031		
31388U-TR-0	F/NWA #626060	06/01/2009	NBS P/M	101	101	106	101	106	0	0	0	0	0	0	0	0	0	0	04/01/2032		
31390P-TE-2	F/NWA #622499	06/01/2009	NBS P/M	473	473	482	473	482	0	0	0	0	0	0	0	0	0	0	06/01/2017		
31391D-DD-2	F/NWA #633500	06/01/2009	NBS P/M	92,660	92,660	93,833	92,603	92,603	0	0	0	0	0	0	0	0	0	0	10/01/2032		
31391J-JM-3	F/NWA #68168	06/01/2009	NBS P/M	16,954	16,954	17,446	16,954	17,446	0	0	0	0	0	0	0	0	0	0	10/01/2032		
31391L-SB-5	F/NWA #673843	06/01/2009	NBS P/M	9,505	9,505	9,686	9,514	9,686	0	0	0	0	0	0	0	0	0	0	04/01/2017		
31392W-VH-7	F/NWA #624141	06/01/2009	NBS P/M	13,260	13,260	13,666	13,260	13,666	0	0	0	0	0	0	0	0	0	0	04/01/2015		
31394R-TG-2	F/NWA #75748	06/01/2009	NBS P/M	15,977	15,977	15,977	15,977	15,977	0	0	0	0	0	0	0	0	0	0	06/01/2012		
31400C-6E-2	F/NWA #684070	06/01/2009	NBS P/M	4,561	4,561	4,669	4,561	4,669	0	0	0	0	0	0	0	0	0	0	05/01/2018		
31400W-GH-7	F/NWA #698974	06/01/2009	NBS P/M	12,571	12,571	12,571	12,571	12,571	0	0	0	0	0	0	0	0	0	0	04/01/2033		
31401B-VB-8	F/NWA #703610	06/01/2009	NBS P/M	7,444	7,444	7,636	7,444	7,636	0	0	0	0	0	0	0	0	0	0	06/01/2018		
31401W-VB-7	F/NWA #720740	06/01/2009	NBS P/M	17,570	17,570	18,122	17,566	18,122	0	0	0	0	0	0	0	0	0	0	07/01/2033		
31402C-CF-6	F/NWA #734570	06/01/2009	NBS P/M	10,469	10,469	10,499	10,469	10,499	0	0	0	0	0	0	0	0	0	0	08/01/2033		
31402W-LV-2	F/NWA #740243	06/01/2009	NBS P/M	25,816	25,816	26,188	25,805	26,188	0	0	0	0	0	0	0	0	0	0	10/01/2033		
31403D-TB-2	F/NWA #745875	06/01/2009	NBS P/M	27,438	27,438	27,680	27,435	27,680	0	0	0	0	0	0	0	0	0	0	07/01/2033		
31403U-3H-2	F/NWA #58700	06/01/2009	NBS P/M	34,198	34,198	34,428	34,198	34,428	0	0	0	0	0	0	0	0	0	0	11/01/2019		
31403V-GH-4	F/NWA #759008	06/01/2009	NBS P/M	35,284	35,284	35,019	35,260	35,019	0	0	0	0	0	0	0	0	0	0	07/01/2034		
31404D-0E-6	F/NWA #765555	06/01/2009	NBS P/M	1,289	1,289	1,270	1,289	1,270	0	0	0	0	0	0	0	0	0	0	07/01/2034		
31404J-QD-6	F/NWA #770562	06/01/2009	NBS P/M	7,106	7,106	7,106	7,106	7,106	0	0	0	0	0	0	0	0	0	0	03/01/2019		
31404P-TC-2	F/NWA #771046	06/01/2009	NBS P/M	12,576	12,576	12,576	12,576	12,576	0	0	0	0	0	0	0	0	0	0	08/01/2019		
31405B-AB-8	F/NWA #804029	06/01/2009	NBS P/M	24,297	24,297	24,297	24,297	24,297	0	0	0	0	0	0	0	0	0	0	04/01/2019		
31405C-UT-4	F/NWA #855494	06/01/2009	NBS P/M	35,533	35,533	35,353	35,533	35,353	0	0	0	0	0	0	0	0	0	0	06/01/2034		
31405F-3V-2	F/NWA #785492	06/01/2009	NBS P/M	5,550	5,550	5,474	5,550	5,474	0	0	0	0	0	0	0	0	0	0	07/01/2019		
31405H-5G-9	F/NWA #793247	06/01/2009	NBS P/M	12,093	12,093	11,933	12,093	11,933	0	0	0	0	0	0	0	0	0	0	07/01/2034		
31405M-MA-2	F/NWA #79372	06/01/2009	NBS P/M	31,715	31,715	32,667	31,715	32,667	0	0	0	0	0	0	0	0	0	0	08/01/2034		
31405N-SB-9	F/NWA #944433	06/01/2009	NBS P/M	33,918	33,918	33,918	33,918	33,918	0	0	0	0	0	0	0	0	0	0	07/01/2034		
31407A-0E-6	F/NWA #95263	06/01/2009	NBS P/M	10,430	10,430	10,430	10,430	10,430	0	0	0	0	0	0	0	0	0	0	08/01/2034		
31408B-EU-0	F/NWA #804847	06/01/2009	NBS P/M	23,331	23,331	22,502	23,331	22,502	0	0	0	0	0	0	0	0	0	0	01/01/2035		
31409F-TS-0	F/NWA #808361	06/01/2009	NBS P/M	12,793	12,793	12,993	12,793	12,993	0	0	0	0	0	0	0	0	0	0	07/01/2034		
31409K-EP-7	F/NWA #8000	06/01/2009	NBS P/M	33,864	33,864	33,669	33,864	33,669	0	0	0	0	0	0	0	0	0	0	07/01/2034		
31409L-JK-3	F/NWA #81372	06/01/2009	NBS P/M	24,700	24,700	24,571	24,700	24,571	0	0	0	0	0	0	0	0	0	0	08/01/2034		
31407B-UJ-4	F/NWA #82005	06/01/2009	NBS P/M	23,803	23,803	22,981	23,803	22,981	0	0	0	0	0	0	0	0	0	0	07/01/2035		
31407Y-ES-4	F/NWA #844445	06/01/2009	NBS P/M	39,378	39,378	39,378	39,378	39,378	0	0	0	0	0	0	0	0	0	0	07/01/2035		
31407Y-RS-8	F/NWA #848409	06/01/2009	NBS P/M	36,630	36,630	35,669	36,630	35,669	0	0	0	0	0	0	0	0	0	0	07/01/2035		
31408A-EN-6	F/NWA #845341	06/01/2009	NBS P/M	43,761	43,761	42,761	43,761	42,761	0	0	0	0	0	0	0	0	0	0	07/01/2035		
31408B-2X-5	F/NWA #846680	06/01/2009	NBS P/M	36,382	36,382	35,916	36,382	35,916	0	0	0	0	0	0	0	0	0	0	07/01/2035		
31408E-EP-7	F/NWA #848491	06/01/2009	NBS P/M	37,870	37,870	37,870	37,870	37,870	0	0	0	0	0	0	0	0	0	0	07/01/2035		
31408E-LS-8	F/NWA #848937	06/01/2009	NBS P/M	6,080	6,080	6,154	6,080	6,154	0	0	0	0	0	0	0	0	0	0	07/01/2035		
31410F-ZS-9	F/NWA #88268	06/01/2009	NBS P/M	104,318	104,318	104,318	104,318	104,318	0	0	0	0	0	0	0	0	0	0	07/01/2035		
31410K-BK-9	F/NWA #89342	06/01/2009	NBS P/M	61,121	61,121	61,145	61,121	61,145	0	0	0	0	0	0	0	0	0	0	07/01/2035		
31410K-JI-1	F/NWA #895759	06/01/2009	NBS P/M	62,136	62,136	63,360	62,136	63,360	0	0	0	0	0	0	0	0	0	0	07/01/2035		
31410L-SZ-6	F/NWA #97936	06/01/2009	NBS P/M	64,058	64,058	64,058	64,058	64,058	0	0	0	0	0	0	0	0	0	0	07/01/2035		
31410V-DQ-1	F/NWA #984415	06/01/2009	NBS P/M	98,789	98,789	99,607	98,789	99,607	0	0	0	0	0	0	0	0	0	0	07/01/2035		
31411E-ZB-6	F/NWA #906238	06/01/2009	NBS P/M	164,766	164,766	170,129	164,766	170,129	0	0	0	0	0	0	0	0	0	0	07/01/2035		
31414D-SA-0	F/NWA #932539	06/01/2009	NBS P/M	36,408	36,408	35,970	36,408	35,970	0	0	0	0	0	0	0	0	0	0	07/01/2035		
31414S-CV-4	F/NWA #93374	06/01/2009	NBS P/M	102,288	102,288	102,392	102,288	102,392	0	0	0	0	0	0	0	0	0	0	07/01/2035		
31414S-HB-5	F/NWA #936926	06/01/2009	NBS P/M	34,307	34,307	34,307	34,307	34,307	0	0	0	0	0	0	0	0	0	0	07/01/2035		
31414S-NV-1	F/NWA #975123	06/01/2009	NBS P/M	50,210	50,210	50,188	50,210	50,188	0	0	0	0	0	0	0	0	0	0	07/01/2035		
3189999 - Total Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed				3,606,226	3,606,226	3,577,241	3,605,403	3,606,226	0	0	(106)	0	0	0</							

## **STATEMENT AS OF JUNE 30, 2009 OF THE Priority Health**

## SCHEDULE D - PART 4

(a) For all common stock bearing the NAIC market indicator "U" provide the number of such issues

0

Schedule DB - Part A - Section 1  
**NONE**

Schedule DB - Part B - Section 1  
**NONE**

Schedule DB - Part C - Section 1  
**NONE**

Schedule DB - Part D - Section 1  
**NONE**

## **STATEMENT AS OF JUNE 30, 2009 OF THE Priority Health**

## **SCHEDULE E - PART 1 - CASH**

## **STATEMENT AS OF JUNE 30, 2009 OF THE Priority Health**

## SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year
<b>NONE</b>							0